



LAND USE RESEARCH  
FOUNDATION OF HAWAII

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LATE

March 29, 2017

Senator Rosalyn H. Baker, Chair  
Senator Clarence K. Nishihara, Vice Chair  
Senate Committee on Commerce, Consumer Protection, and Health

Senator Jill N. Tokuda, Chair  
Senator Donovan M. Dela Cruz, Vice Chair  
Senate Committee on Ways and Means

**Comments and Proposed Amendments to HB 848, HD2, SD1 Relating to Energy Modernization at the university of Hawaii System. (Requires UH to develop a microgrid plan for one demonstration project at any property owned, leased, or controlled by UH. Authorizes UH to select the location for the project. Requires UH to report to the legislature. Effective 7/1/2050.)**

**CPH/WAM Hearing: Thursday, March 30, 2016, 9:30 a.m., Conf. Rm. 211**

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF and its members strongly support renewable energy and the University of Hawaii (UH). LURF and its members have implemented numerous renewable energy projects and have supported and provided funding for numerous educational scholarships and projects, have provided the use of lands for UH, and also maintain numerous working partnerships with the UH system and campuses on all islands.

While LURF believes that this bill may have been introduced with a valid purpose, and despite the fact that LURF and its members have proven to be strong supporters of renewable energy and UH, it must regrettably **oppose** the current version of HB 848, HD2, SD1, as follows:

- **This measure should be deferred, because it is unnecessary, as the UH is able to file an application for, and obtain PUC approval of a plan for a UH demonstration microgrid project.**

service to UH, the electric utility; and members of the public (PUC, March 21, 2017; and Hawaiian Electric Company testimony, March 30, 2017);

- **Payment of their fair share of costs, just and reasonable rates, charges and assessments, and that UH shall not unfairly shift costs to other customers.** Require that the UH microgrid plan pays its fair share of costs, just and reasonable rates, charges and assessments; does not create undue subsidization between customers served within and outside of the UH microgrid; and does not unfairly shift costs to other customers (PUC, March 21, 2017; Consumer Advocate, March 21, 2017; and Hawaiian Electric Company, March 30, 2017); and
- **Collaborative, mutual gains approach.** Require that the UH, other government agencies, energy utilities and other stakeholders employ a collaborative, mutual gain approach (Hawaiian Electric, March 21, 2017).

For the reasons stated above, LURF **must oppose the current version of HB 848, HD2, SD1** and respectfully requests that this bill be **held in your Committees**.

Thank you for the opportunity to present testimony regarding this matter.